

Message Text

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TO AMEMBASSY SANTO DOMINGO

UNCLAS STATE 129869

FOLL REPEAT GENEVA 3964 ACTION SERSTATE, INFO LONDON,
USUN NY, EC BRUSSELS AND OECD PARIS 28 MAY 75:

QUOTE

UNCLAS GENEVA 3964

E.O. 11652: N/A

TAGS: UNCTAD EMIN ETRD

SUBJECT: UNCTAD: REPORT OF EXPERTS GROUP ON INDEXATION

REF: GENEVA 3919

FOLLOWING IS TEXT OF REBUTTAL ISSUED BY UNCTAD SECRETARIAT TO
IHT ARTICLE ON REPORT OF EXPERTS GROUP ON INDEXATION:

BEGIN QUOTE

IN THE INTERNATIONAL HERLAND TRIBUNE OF 26 MAY AN ARTICLE APPEARED,
UNDER THE NAME OF EDWIN L. DALE JR., ABOUT A RECENT MEETING OF A
GROUP OF EXPERTS CONVENED BY THE SECRETARY-GENERAL OF UNCTAD TO
ASSIST HIM IN PREPARING A REPORT ON THE FASIZILITY OF THE INDEX-
ATION OF COMMODITY PRICES IN INTERNATIONAL TRADE FOR SUBMISSION TO
THE UNCTAD TRADE AND DEVELOPMENT BOARD. THE ARTICLE CLAIMED THAT
THE EXPERTS "REPORTED UNANIMOUSLY TO THE UNITED NATIONS THAT A
WIDELY HELD BELIEF ABOUT THE WORLD ECNOMY-THAT IN THE LAST 25
YEARS THE PRICES OF RAW MATERIALS EXPORTED BY POOR COUNTRIES HAVE
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RISEN LESS THAN THE PRICES OF THE MANUFACTURED GOODS THAT THEY
IMPORT IS NOT TRUE". IT WAS ALSO STATED THAT THE EXPERTS "DID AGREE
IN THEIR REPORT TO MR. COREA THAT THERE HAS BEEN NO LONG-TERM PRICE
TREND WORKING AGAINST THE LESS DEVELOPED COUNTRIES".

THIS NEWSPAPER REPORT IS MISLEADING. IN THE FIRST PLACE, ON THE QUESTION WHETHER OR NOT THERE HAS BEEN A SECULAR OR LONG-TERM DETERIORATION IN THE TERMS OF TRADE OF DEVELOPING COUNTRIES, OPINIONS WITHIN THE GROUP REFERRED TO DIFFERED WIDELY; THERE WAS IN FACT NO UNANIMOUS AGREEMENT, AS STATED IN THE ARTICLE, THAT THERE HAD BEEN NO SUCH DETERIORATION. WHAT THE GROUP OF EXPERTS AGREED IN GENERAL WAS THAT THE STATISTICAL MATERIAL WHICH HAD BEEN PRESENTED TO IT DID NOT AS SUCH PROVIDE ANY CLEAR OR CONCLUSIVE EVIDENCE OF LONG-TERM DETERIORATION.

IN THE SECOND PLACE, THE TERMS OF REFERENCE OF THE GROUP REQUIRED IT- ACCORDING TO THE UN GENERAL ASSEMBLY RESOLUTION IN QUESTION- TO EXAMINE IN ALL ITS ASPECTS THE ISSUE OF INDEXATION (I.E. THE POSSIBILITY OF LINKING PRICES OF COMMODITY EXPORTS OF DEVELOPING COUNTRIES TO PRICES OF THEIR IMPORTS) WITH A VIEW TO IDENTIFYING PRACTICAL AND FEASIBLE SCHEMES FOR ITS IMPLEMENTATION. IN THE LIGHT OF THIS, THE QUESTION OF TERMS OF TRADE WAS ONLY ONE ISSUE AMONG MANY OTHERS DISCUSSED BY THE GROUP AND ON WHICH THE EXPERTS EXPRESSED DIFFERING OPINIONS. THEIR VIEWS WILL BE FULLY REFLECTED IN THE REPORT WHICH THE SECRETARY-GENERAL OF UNCTAD IS REQUIRED BY THE SAME GENERAL ASSEMBLY RESOLUTION TO PRESENT TO THE TRADE AND DEVELOPMENT BOARD OF UNCTAD AT ITS NEXT MEETING

IN AUGUST THIS YEAR.

8, 5#8 :9,,3:589,,CONTRARY TO WHAT THE NEWSPAPER ARTICLE ALLEGES, THE GROUP OF EXPERTS DID NOT SUBMIT OR APPROVE A REPORT. THEREFORE IT IS NOT CORRECT TO SAY, AS THE NEWSPAPER DOES, THAT THE GROUP OF EXPERTS "HAS REPORTED UNANIMOUSLY TO THE UNITED NATIONS...". WHAT THE

GROUP OF EXPERTS DID WAS TO PREPARE A BRIEF SUMMARY OF ITS MAIN CONCLUSIONS, NOT INTENDED FOR PUBLICATION-SINCE IT DID NOT COVER THE FULL RANGE OR DEPTH OF VIEWS EXPRESSED DURING THE DISCUSSIONS-BUT FOR

USE BY THE SECRETARY-GENERAL OF UNCTAD IN PREPARING HIS REPORT TO THE TRADE AND DEVELOPMENT BOARD. IN BRIEF, A BALANCED AND COMPREHENSIVE ACCOUNT OF THE EXPERTS' VIEWS AND FINDINGS WILL BE REFLECTED
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IN THIS REPORT BY THE SECRETARY-GENERAL.

THE EXPERTS INCLUDED:

PROFESSOR JEAN BENARD, UNIVERSITY OF PARIS I

PROFESSOR CONRAD BLYTH, PROFESSOR OF ECONOMICS, UNIVERSITY OF AUCKLAND, NEW ZEALAND

PROFESSOR H. HOUTHAKKER, DEPARTMENT OF ECONOMICS, HARVARD UNIVERSITY, U.S.A.

DR. J. O. IYANIWURA, NIGERIAN INSTITUTE FOR SOCIAL AND ECONOMIC RESEARCH, UNIVERSITY OF IBADAN, NIGERIA

PROFESSOR LORD KALDOR, CAMBRIDGE UNIVERSITY, ENGLAND

MR. FERHAT LOUNES, DIRECTOR, DEPARTMENT OF ECONOMIC AFFAIRS, MINISTRY OF FOREIGN AFFAIRS, ALGIERS

PROFESSOR D. PASTORE, CATHOLIC UNIVERSITY, BUENOS AIRES, ARGENTINA

MR. M. PASZYNSKI, MINISTRY OF FOREIGN TRADE, WARSAW, POLAND
PROFESSOR JOHN SPRAOS, UNIVERSITY COLLEGE, LONDON
MR. LEROY D. TAYLOR, DIRECTOR, MACROECONOMIC AND MANPOWER PLANNING
DIVISION, NATIONAL PLANNING AGENCY, KINGSTON, JAMAICA
IN ADDITION A NUMBER OF UN AGENCIES AND THE COMMUNITY COUNCILS WERE
REPRESENTED.
END QUOTE DALE UNQUOTE

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